



**Sandwich Isles  
Communications, Inc.**  
A Waimana Company



**Sandwich Isles  
Wireless**

**Sandwich Isles  
Broadband Services**

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September 11, 2021

Aloha Sandwich Isles Customer,

We are writing to inform you of a recent development that will affect your phone, internet and/or video services. Hawaiian Telcom bought, from bankruptcy, the undersea fiber cables and buildings on Hawaiian Home Lands (HHL) that make up the Paniolo Network (Paniolo). Sandwich Isles (SIC) built Paniolo to connect HHL on each island to deliver phone, internet, and/or video service to all Homesteaders. Part of the purchase which was approved by the bankruptcy court, allowed SIC to continue serving its customers using a portion of Paniolo for free and paying a nominal amount for its equipment located in the now - Hawaiian Telcom - owned buildings on HHL. Hawaiian Telcom was willing to do this because it wanted to use the facilities on HHL built by SIC under its Beneficiary Benefit License issued by the Hawaiian Homes Commission (HHC). Otherwise, Hawaiian Telcom would have to build its own landing facilities costing over \$54 Million and taking years to complete.

Hawaiian Telcom has since reneged on its purchase obligation to allow SIC use of the network for free to continue to serve Homesteaders. Hawaiian Telcom is now demanding market rates from SIC and has threatened to cut off service in 30 days. Paying market rates would cause a substantial increase in your monthly bill.

A Beneficiary License states that use of facilities on HHL, including all monies generated, must be used for you, the beneficiaries. SIC used its license to build and install over \$450M in infrastructure (underground conduits, copper and fiber optic lines, switching equipment and buildings to house them) to benefit Homesteaders. Under the SIC Beneficiary License, change of ownership, even in bankruptcy, does not change the requirement that the use and income generated by these HHL facilities be used for beneficiaries. In other words, former SIC facilities on HHL now owned by Hawaiian Telcom are subject to SIC license. Hawaiian Telcom bought the facilities on HHL aware of this obligation.

Hawaiian Telcom got the Department of Hawaiian Home Lands (DHHL) to agree to a technical maneuver that allowed them to renege on its purchase obligation and also bypass the obligation to benefit the Homesteaders. At the HHC August meeting, DHHL inserted a last minute agenda item to give Hawaiian Telcom a Right of Entry (ROE). No one was aware of this so could not appear and explain the negative impact to the Commissioners. The Commissioners approved the ROE. With the ROE, Hawaiian Telcom can use the SIC built infrastructure they purchased, without any benefit to the Homesteaders. Hawaiian Telcom is already using the Anahola facility on HHL to store construction equipment and materials to improve service to **their non-HHL customers**. Without the ROE, Hawaiian Telcom could not do this and would have to comply with the SIC license and SIC **must** use those funds for the beneficiaries, such as planned replacement of aging copper lines on each island with fiber optic ones and connecting the most remote areas of HHL. The ROE removed the Homesteaders' right to benefit from a Beneficiary License in favor of a big foreign-owned corporation that bought Cincinnati Bell, Hawaiian Telcom's parent company. This will allow Hawaiian Telcom, Cincinnati Bell and the foreign owner to keep the tens of millions each year they will make from the facilities located on HHL without guaranteeing any benefit to the Homesteaders.

The ROE is supposed to be a temporary measure to allow access, **not use**, and normally is replaced with a license. In this case it would be a non-beneficiary license Hawaiian Telcom is seeking which they have done in the past to serve non-HHL customer and keep the profits. Sometime between the Court's approval of the purchase of Paniolo and today, DHHL agreed to give a license directly to Hawaiian Telcom telling the Court that it will be **better for Homesteaders, which obviously is not true**. DHHL says it will seek beneficiary input before issuing this license to Hawaiian Telcom, but has not set any schedule or said whether it will protect your interests.

SIC was issued its license in 1990's because 30 years ago, Hawaiian Telephone refused to provide phone service to all Homesteaders and the Public Utilities Commission refused to enforce that obligation. **SIC is owned by beneficiaries. Its ONLY customers are on HHL**. Its license requires it provide service to all Homesteaders. Hawaiian Telcom is foreign-owned, does not want to and does not have to serve Homesteaders. Today, because of SIC's Beneficiary License, every Homesteader who wants a phone and internet has it. The ROE and a license to Hawaiian Telcom are comparable to taking away your homestead lease and giving it to a non-beneficiary.

**Email the Commissioners.** The next HHC meeting is September 20 and 21. Giving away our benefits must stop!

Mahalo,

Sandwich Isles

**EXHIBIT "2"**

**U.S. Bankruptcy Court - Hawaii #18-01319 Dkt # 472-4 Filed 10/08/21 Page 1 of 2**

\*Hawaiian Homes Commission (HHC) Meeting - Testimony 9/20/21



**Partnering for the Future**

from SIC

09:02



**Ohana Talk Story**

from SIC

13:51



Please contact SIC with any questions or concerns  
Email: [info@sandwichisles.com](mailto:info@sandwichisles.com)  
Phone: 808-524-8400

Mahalo for your support!